



December 29, 1992

Mr. Stephen J. Borgsmiller  
City Manager  
City of Sikeston  
105 East Center Street  
Sikeston, Missouri 63801

Dear Mr. Borgsmiller:

Since Marc Nathanson is out of town, I would like to take this opportunity to respond to your letter dated December 18, 1992 regarding our rate increase. I appreciate you writing regarding your concerns. I want to assure you that no one, including Falcon, likes to implement rate increases, and we will do our best to keep them to a minimum.

While it is true that our January 1, 1993 increase does approximate 11%, it needs to be viewed in light of the fact that our rate for other service levels did not increase. As a result, when you look at the average increase in our subscribers' bills, it will be in the 7% area. Also, the increase last year was less than 2% for the average subscriber before reflecting new services, increase in the cost of existing programming services, and other cost increases.

As you may remember, in December of 1991, the Disney Channel was launched to all customers, a service which was previously an optional pay channel costing \$7.50 a month, and only available to those customers willing to pay the additional price. Also in December of 1991, TNT was launched to all customers, a service previously not available to anyone in Sikeston.

The following is a breakdown of the Sikeston rate increases for our basic and tier service levels.

<u>YR</u>	<u>Basic Rate</u>	<u>Tier Rate</u>	<u>Total</u>
1991	17.00	3.00	20.00
1992	17.50	3.00	20.50
1993	18.38	4.35	22.73

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Borgsmiller/Page Two

As you can see, the total increase from 1991 to 1993 equates to 13.6% or an average of only 4.5%. If you only adjust for programming increases for new and existing services (i.e. Disney, TNT, etc.), our average rate increase over this period was below the rate of inflation. In addition, as previously stated, rates for other service levels will not go up on January 1, 1993, which will result in an even smaller average increase for our subscribers.

If viewed in the context of our 1991 rate increase, increases in programming and related costs, and the fact that various service levels did not have any increase, we believe that the overall change in our rate structure is reasonable. As a further piece of information to support this view, it is important for you to realize that our programming costs have increased at a rate of several times our percentage increase. Specifically, 1991 vs. 1992 programming costs have increased over 61%.

Ron Hall, our Divisional Vice President located in Washington, MO, will be in contact with you over the next several days to discuss any further questions you or the council may have regarding our rates.

I hope the information I have supplied has answered your concerns, but more importantly, I want to assure you again that we are striving to provide the best possible service at a fair and reasonable price to all of our customers.

Very truly yours,



Frank Intiso  
President and Chief Operating Officer

cc: Joe Johnson  
Ron Hall  
Federal Communications Commission ✓  
Senator John Danforth  
Senator Christopher Bond  
Representative Bill Emerson

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December 31, 1992

Senator Joseph R. Biden  
Room 6209  
844 King Street  
Wilmington, DE 19801


Dear Senator Biden,

I support your stand on the Cable Competition Act to restore competition in the industry. As you stated in your special report on Cable Rates newsletter, I too am tired of seeing the rates increase with little explanation and no discernable improvement in service or selection. I especially am having difficulty rationalizing the increase in the converter rental fee from \$3.00 to \$4.00 per month. This particular piece of equipment has been in my household for at least 7 years. I figure it's useful life, at maximum, to be 5 years and vaguely remember \$300.00 as the established value. After 7 years of rental at \$3.00 per month, not including equipment depreciation, I have purchased this converter - and now TCI wants to increase the monthly rental fee to \$4.00 and not replace it with modern technology!!!!

It amazes me when people discuss their monthly cable bills and they are higher than some essential utilities.

Good luck on this important issue and keep us informed of the progress to restore cable competition.

Sincerely,

  
B. Rex  
8 Verdi Circle  
Newark, DE 19702

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cc: Federal Communications Commission

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DARRELL K. SWANSON  
274 Apple Road  
Newark, Delaware, 19711  
302-453-8456

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December 31, 1992

Mr. Jon E. Danielsen  
General Manager  
TCI Cablevision of NCC  
PO Box 10210  
Wilmington, DE 19850-0210

Dear Mr. Danielsen,

You went right ahead and increased the rates without so much as a "how do you do" to the consumer/customer. The "notice" received in our December statement was informing, not asking!

You increase rates by 16% and we gain absolutely nothing new for it. If we did gain something, I would surely like for you to explain it. The enclosure in my statement certainly did not do it.

You must be aware that our U.S. Senator, Joe Biden, is investigating the very thing you have just done.

He states: "Since deregulation six years ago, the cable industry largely has become an uncontrolled monopoly with little (or no) competition to keep rates from rising. Where competition does exist, cable rates are 30 percent lower than where it doesn't. In Delaware, there is no competition among cable companies for customers."

Also: "What a difference a couple of months make. The new law hasn't even gone into effect yet, and the cable companies are raising rates again."

And lastly: "For most Delaware cable customers these charges will simply draw more money from the family budget without adding new services or channels to the system. And the attitude of the cable companies is 'take it or leave it.'"

What we customers should do is withhold the increase until the investigation Mr. Biden has instituted with the FCC is complete. But we also know if we do that TCI will simply "pull the plug", without any concern for their paying customers.

Justify your increases with real facts and figures instead of dubious and nebulous statements.

  
Darrell K. Swanson

cc: Chairman, FCC

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# SUN-GAZETTE COMPANY

252 WEST FOURTH STREET  
P. O. BOX 728  
WILLIAMSPORT, PA 17703-0728

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## HIGH COSTS OF CABLE

### Editor, Sun-Gazette:

I read with interest the Oct. 6 Sun-Gazette story on the reaction of local cable companies denouncing Congress' passage of a bill that steps up regulation of cable television. I guess I must be among the minority, but I do have a complaint about local cable television service.

Some months ago, before I even knew Congress was debating the cable TV subject, I wrote Dimension Cable with my concern about high cost for desired service. Perhaps, as Dimension pointed out in your story, cost per channel has gone down because the number of channels has increased. But who asked for more channels in the first place?

Rather than being forced to receive 30-some channels of someone else's choice, most of which my family never watched anyway, I proposed that for a monthly fee of

one-quarter to one-half of what is being charged for their "basic" service I be allowed the three "major" networks and one to three "extras", like ESPN, Nickelodeon and the Family Network. That way I could view channels of my choice and keep my monthly cable bill under \$10.

Despite what was intended to return some sanity to the cable TV industry, I am sure the industry will figure out some way to continue to "jack up" the bills of its customers.

As for our family, until rates come down or we can pick and choose which channels we want and pay less as a result, our UHF antenna will continue to serve us well (translators operated locally by WNEP, WBRE, WYOU and WVLA allow for cable-quality reception in most areas of Williamsport) and we'll remain free of any cable costs.

Mrs. Charis Carpenter  
Williamsport

*This was a letter to the editor  
printed in October, 1992.*

*Thank you for your time,*

*James D. Carpenter  
2020 PARK Drive  
Williamsport, PA 17701  
717-494-2020*

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John and Elizabeth Fisher Gray

2602 North Harrison Street

Wilmington, Delaware 19802

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3 January 1993

Re: Account 10228-047388-06-9

Dear Mr. Danielson:

In August 1992, we moved to Wilmington from Philadelphia, where we had cable service only for local-reception channels. On two separate occasions, my wife and I specifically asked TCI telephone representatives whether similar service was available in Wilmington. We were told both times that the lowest level of cable service available was that which we currently have. Although it included many channels we did not want, we paid to have this service installed.

While reading some of the recent literature prompted by the Cable Competition Act, it became clear that TCI does offer a more basic service akin to what we had in Philadelphia — so called RECEPT-13. I have scheduled our conversion to this service level, but am asked that we must pay an additional \$30.00 to get what we wanted in the first place.

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I do not know why your representatives misled us. But if this conduct is common in the cable industry, it is hardly surprising that Congress enacted the Cable Competition Act. In any case, it is clear that the Federal Communications Commission should scrutinize TCI's activities, including your recent rate increase. By copy of this letter to the FCC, we join Senator Biden in requesting such scrutiny.

Yours truly,  
J. H. Hays

Mr. Jon E. Danielson  
General Manager  
TCI Cablevision of New Castle County  
P.O. Box 10210  
Wilmington, DE 19850-0210

cc: Chairman  
Federal Communications Commission  
1919 M Street N.W.  
Washington, DC 20554

Hon. Joseph R. Biden, Jr.  
Room 6209  
844 King Street  
Wilmington, DE 19801